is also emphasised at the time of discussions of the Chairman of banks the top management of RBI on inspection findings.

Normally, banks, after exhausting all aveunes of recovery, file suits for recovery. Government have set up the Debt Recovery Tribuna's for expeditious adjudication and recovery of debts due to banks and financial institutions.

Welfare Scheme of Peerles General Finance and Investment Company Limited

7817. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that social welfare schemes of Peerless General Finance and Investment Company Limited under Table 23 and 24 have since been abolished abruptly; if so, the details thereof and under whose directions such decision has been taken;

(b) the extent of Government control on insurance schemes of the company and the fixation of commission paid to field staff of the company; and

(c) whether Government have directed the company to diversify its policies with the tune of changing times; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FNANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Reserve Bank of India (RBI) has reported that the Social Welfare Schemes of Peerless General Finance & Investment Co. Ltd. (Peerless) under Tables 23 and 24 which had a duration of 10 years, had been discontinued by the company effective from May 4, 1995 in the context of Calcutta High Court judgement upholding the validity of an amendment to the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 which brought down the maximum period of deposits a RNBC can accept from 120 months to 84 months.

(b) and (c) RBI has reported that the Company is not running any insurance schemes. However, it extends accidental death insurance benefit to the subscribers of its deposit schemes under an arrangement with the New India Assurnace Co. Ltd.

RBI has reported that it has taken a consistent stand that Peerless could not take any portion of the deposits received from depositors/subscribers for meeting its revenue expenses. Peerless was also advised that it should alter its existing investment pattern so as to bring the investments strictly in conformity with the provisions of Residuary Non-Banking Companies (Reserve Bank) Direction, 1987.

Non-Official Directors on Nationalised Banks

7818. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have since nominated non-official Directors on the Board of all the Nationalised Banks;

(b) if so, the names with address, and various interest they represent, Bank-wise;

(c) what are the terms of their appointments; and

(d) which are the Banks for which the non-official Directors are yet to be appointed and the reasons for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Government have nominated new non-official directors on the boards of 16 out of the 19 nationalised banks. Such directors are still to be nominated on the boards of Canara Bank, Punjab & Sind Bank and United Bank of India as some formalities are still to be completed in these cases.

The new non official directors have been nominated for a period of three years from the date of notification. Non-Official directors have been nominated in terms of the provisions of clauses (g) and (h) of sub-section (3) of Section (9) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970|1980. Relevant extracts from the Act are given in the enclosed Statement.

(*See* below). The names, addresses and the relevant provisions of the above Act under which non-officials have been nominaed are at Annexure. [*See* Appendix 173, Annexure No. 174].

Statement

Extracts from the Banking Companies (Aquisition and Transfer of Undertakings) Act, 1970/1980.
Section 9

(3) Every Board of Directors of a corresponding new bank constituted under any scheme made under sub-section (1), shall include —

(g) one director who has been a Chartered Accountant for not less than fifteen years to be nominated by the Central Government after consultation with the Reserve Bank;

(h) subject to the provision of clause (i), not more than six directors to be nominated by the Central Government;

(i) where the capital issued under clause (c) of sub-section (2B) of section (3) is —

(I) not more than twenty per cent of the total paid- up capital, not more than two directors,

(II) more than twenty per cent, but not more than forty per cent, of the total paid-up capital, not more than four directors;

(III) more than forty per cent of the total paid-up capital, not more than six directors;

to be elected by the shareholders other than the Central Government, from amongst themselves:

Provided that on the assumption of charge after election of any such directors under this clause, equal number of directors nominated under clause (h) shall retire in such maner as may be specified in the scheme.

(3A) The directors to be nominated under clause (h) or to be elected under clause (i) of sub-section (3) shall —

(A) have special knowledge or practical experience in respect of one or more of the following matters, namely :—

(i) agricultural and rural economy,

(ii) banking,

(iii) co-operation,

(iv) economics,

(v) finance

(vi) law,

(vii) small-scale industry,

(viii) any other matter the special knowledge of, and practical experience in which would, in the opinion of the Reserve Bank, be useful to the corresponding new bank;

(B) represent the interests of depositors. or

(C) represent the interests of farmers, workers and artisans.

Harassment by Staff of Union Bank of India, Nagpur

7819. SHRI V. RAJESWAR RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the officers in the Union Bank of India branches in Nagpur are committing Contempt of Court;

(b) whether the Branch Manager of the Union Bank of India, Dhantoli, Nagpur Branch in his attempt to harass customers, arbitrarily closed a very big current account which the District Court has now ordered to be immediately restored;

(c) whether proceedings of Contempt of Court have been going on in the District Court, Nagpur, against the said Branch Manager;